



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#13 NOVEMBER 8, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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Board of Supervisors

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community and university
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November 08, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT WITH CATALYST
SYSTEMS, LLC, FOR SUPPORT FOR THE PATIENT CLASSIFICATION
SYSTEM
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of an Amendment to extend the Agreement with Catalyst Systems, LLC, for the support for the paper-based Patient Classification System.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement No. H-702077 with Catalyst Systems, LLC (Catalyst), effective upon Board approval, to extend the term of the Agreement for the period from December 14, 2011 through December 13, 2016, for the provision of support services for the Patient Classification System (PCS) at an annual cost of \$135,290.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendation will allow the Director of Health Services to execute an amendment, substantially similar to Exhibit I, to the Agreement with Catalyst to extend the term by five years, which will allow Catalyst to continue to support the PCS.

PCS is a paper-based system that provides a consistent and reliable method of classifying patients and establishing staffing ratios in accordance with Title 22 regulatory requirements, as well as the requirements of AB 394 nurse staff regulation, and certifying agencies, such as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Both the PCS and the support program are proprietary to Catalyst and therefore can only be provided by Catalyst.

The PCS support program interprets data provided by the tools, examines the appropriate use and application of patient staffing ratios by nursing units, plus assures through training, online resources, and materials that coordinators at the facility know how to manage reliability and issues of data validity. Support services monitor and compare unit practices for the proper application of PCS. Catalyst support service communications include: telephone, e-mail, onsite training, and site visits.

Examples of how the Department of Health Services (DHS) makes use of the services provided under the PCS support program include, but are not limited to: (1) statistical recalibration and analysis of patient acuity and priority requirements per shift for the application of nurse/patient ratios; (2) assessment of technological-change (example Telemetry) as it impacts PCS within a unit for nurse/patient ratios; (3) identification and upgrade of units that require unique or new tools to properly determine the required nurse/patient ratios; (4) training of new staff in the proper and consistent use of PCS within a unit and across the enterprise; and (5) analytical upgrades that aid nurse management to forecast nurse/patient service needs and budgetary requirements.

The PCS support program also assists DHS staff in monitoring compliance with patient classification and staffing ratios imposed by AB 394. The continued support of PCS is essential for DHS to maintain compliance with all regulatory requirements and certifying agencies.

Implementation of Strategic Plan Goals

The recommended action supports Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The annual cost of the PCS support program is \$125,290 per year plus reimbursement for travel expenses, not to exceed \$10,000, incurred by Catalyst in order to perform work, for an annual total of \$135,290.

Funding is included in the Fiscal Year 2011-2012 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On July 25, 2000, your Board approved an agreement with Catalyst, under which Catalyst granted DHS a perpetual license to use the PCS. The original agreement did not include support of the PCS,

because AB 394 minimum nurse staffing ratios did not exist at the time, and there was no support program in place.

On June 13, 2006, your Board approved the current Agreement with Catalyst on a sole source basis for support of the paper-based PCS with a term of five (5) years and an option to extend the term for six months. At the time of approval of the Agreement, Catalyst's specialized support of PCS provided an urgently needed methodology upgrade to assist DHS in monitoring compliance with patient classification and staffing ratios imposed by AB 394.

On June 6, 2011, the Director of DHS executed Administrative Amendment No. 1 under delegated authority in order to extend the term of the Agreement beyond June 13, 2011 for a period of six months.

The recommended Amendment No. 2 also includes the latest Board provisions, including the Defaulted Property Tax Reduction and the County's Travel Expense Reimbursement Policy.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The continued use and maintenance of PCS at DHS medical facilities will classify patients and specify staffing requirements in compliance with Title 22 regulations, AB 394 and certifying agencies.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz", with a stylized flourish at the end.

Mitchell H. Katz, M.D.

Director

MHK:rt

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

SOLE SOURCE CONSULTANT SERVICES AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

CATALYST SYSTEMS, LLC

Amendment No. 2

Agreement No: H-702077

This Amendment Number No. 2 ("Amendment") to that certain Sole Source Consultant Services Agreement (Evalisys® Patient Classification System Support Program), dated June 13, 2006, as modified by Administrative Amendment No. 1, dated June 6, 2011 and Change Notice Number One, dated May 3, 2007 (as so amended, and as amended hereby, hereinafter collectively "Agreement"), is entered into this ____ day of _____, 2011 by and between the County of Los Angeles (hereinafter "County") and Catalyst Systems, LLC (hereinafter "Contractor").

WHEREAS, Agreement is slated to expire on December 13, 2011; and

WHEREAS, it is the desire of the parties to extend the term of the Agreement for the period from December 14, 2011 through December 12, 2016, a term of five years; and

WHEREAS, Agreement provides that changes may be made in the form of written amendment which is formally approved and executed by both parties.

NOW, THEREFORE, by their respective signatures below, the parties mutually agree as follow:

1. This Amendment shall become effective upon Board of Supervisors approval.

2. Paragraph 1, TERM, of the body of the Agreement shall be deleted in its entirety and replaced by the following:

"1. TERM: The term of this Agreement shall commence on the date of approval by Board (as the Effective Date of June 13, 2006) and shall continue in full force and effect through December 12, 2016 ("Initial Term"), unless sooner terminated in whole or in part pursuant to the terms of this Agreement. As used throughout this Agreement, references to "Agreement term" or "term of this Agreement" include the Initial Term and any extension thereof under any future amendment to this Agreement entered into in accordance with Paragraph 15, ALTERATION OF TERMS."

3. Paragraph 8, MAXIMUM OBLIGATION OF COUNTY, is hereby deleted in its entirety and replaced with the following:

"8. MAXIMUM OBLIGATION OF COUNTY:

A. During the period from the Effective Date through the term of this Agreement, the maximum obligation of County for all Work provided under this Agreement shall not exceed (1) for each period identified on Schedule 1 (Consulting Fees) attached hereto, the amount set forth on Schedule 1 for such period (with respect to each such period, "Annual Consulting Fee") plus (2) subject to clause B. below, Contractor's reasonable and necessary expenditures for Contractor's staff transportation, meals, lodging and other out-of-pocket expenses, in each case, in order to perform Contractor's Work hereunder not to exceed the amounts set forth on Schedule 1.

B. With respect to Contractor's reasonable and necessary expenditures for Contractor's staff transportation, meals, lodging and other out-of-pocket expenses, shall

be subject to approval, in advance, in writing, by County's Project Director, which approval may be granted or withheld in such person's sole discretion. Additionally, reimbursable expenditures shall be limited to the following: airfare, hotel/lodging, automobile rental, other transportation or reimbursable mileage, and meals required to perform the Work under this Agreement. Further, reimbursable expenditures shall be (a) passed through without mark-up and (b) in accordance with County's Travel Expense Reimbursement Policy, Exhibit C, attached hereto and incorporated herein by this reference.

C. County in no event shall be required to pay Contractor more than the maximum obligation of County as set forth in subsection A. of this Paragraph."

4. Paragraph 39. is added to EXHIBIT A, ADDITIONAL PROVISIONS, "39. DEFAULTED PROPERTY TAX REDUCTION PROGRAM 39.1 CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses who benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

39.2 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN
COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION
PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 39.1 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to County Code Chapter 2.206."

5. Schedule 1 (Annual Consulting Fees) of the Agreement is hereby deleted in its entirety and is replaced with a new Schedule 1 (Consulting Fees), a true and correct copy of which is attached to this Amendment and incorporated herein by reference.

6. Exhibit C (County Travel Expense Reimbursement Policy) is added to the Agreement in its entirety, a true and correct copy of which is attached to this Amendment and incorporated herein by reference.

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EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

CATALYST SYSTEMS, LLC

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

By: _____

By: _____
Mitchell H. Katz, M.D.
Director

Name: _____

Date: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____
Amanda M.L. Drukker

**COUNTY’S TRAVEL EXPENSE
REIMBURSEMENT POLICY**

The Los Angeles, California County Code (Title 5. Personnel), as updated from time to time, specifies the maximum travel, meal, lodging, and incidental expense reimbursements rates.

I. Paragraph 5.40.060 Traveling Expenses – Travel, lodging and meal cost limitations

Traveling expenses allowed shall not exceed:

- A.1. The actual cost of transportation when by public carrier, if a privately owned vehicle is used to travel to a destination other than one specified in subsection D of Section 5.40.190, at a rate of six cents per mile or the equivalent of the fare via the most appropriate public carrier;
2. If to a destination outside the state and more than 500 miles from headquarters, the equivalent of the fare via the most appropriate public carrier;
3. Effective July 1, 2000, persons permanently assigned to duty on Catalina Island shall be entitled to reimbursement for the cost not to exceed two round trips in any one month by boat to the mainland. Such claim shall be filed with the department on the form(s) required by the department head.
- B.1. Lodging \$192.00 per night; breakfast \$11.50; lunch \$15.00 and dinner \$37.50, or not to exceed \$64.00 per day when three meals are purchased upon any one day. The rates set forth in this paragraph shall be subject to annual adjustment by the auditor-controller pursuant to Section 5.40.095 of this Code. Where the cost of a single-occupancy hotel accommodation in a major metropolitan area or capital city, as defined in Section 5.40.090(B), exceeds the limitations set forth in this section and Section 5.40.095, reimbursement may, with prior approval of the Chief Administrative Officer, be made for actual necessary costs of said single-occupancy hotel accommodation, including all taxes, upon presentation to the auditor-controller of a receipt from the hotel concerned.
 - a. Notwithstanding subsection B.1. above, employees attending a County-sponsored conference will be reimbursed for receipted lodging, plus taxes, when the lodging is contracted by the County sponsor for the event, and the appointing authority has granted prior approval for attendance and lodging at the contracted rate at the designated hotel;
 - b. Notwithstanding subsection B.1. above, employees attending a non-County-sponsored conference will be reimbursed for receipted lodging, plus taxes, when the lodging is contracted by the conference sponsor for the event, and the appointing authority has granted prior approval for attendance and lodging at the contracted rate at the designated hotel.
2. Unless approved by the chief administrative officer, meals shall not be allowed in the county of Los Angeles except under the following circumstances:
 - a. Persons permanently assigned to duty on Catalina Island shall be allowed meals and lodging when ordered by the department head to temporary duty elsewhere in the county, provided such persons are required to remain at the temporary work location overnight,

- b. Persons permanently assigned to duty in the mountains or in the Antelope Valley shall be allowed meals and lodging when ordered by the department head to temporary duty elsewhere in the county, provided such persons are required to remain at the temporary work location overnight,
 - c. Persons permanently assigned to duty other than in the mountains, in the Antelope Valley, on Catalina Island or in the Santa Clarita Valley shall be allowed meals and lodging when ordered by the department head to temporary duty at Catalina Island, in the mountains, in the Antelope Valley, or in the Santa Clarita Valley, provided such persons are required to remain at the temporary work location overnight,
 - d. Legislative representatives of the chief administrative office permanently assigned to duty in Washington, D.C. or Sacramento shall be allowed meals, lodging and transportation expenses in Los Angeles County as approved by the chief administrative officer when ordered by the department head to travel to Los Angeles to consult with county officials,
 - e. Candidates for employment with the county of Los Angeles, special examiners, or subject-matter experts, when they are approved by the chief administrative officer or director of personnel to travel for the examination process;
3. A person traveling by privately owned vehicle or county car shall be allowed actual necessary travel time and meals not to exceed one day each way en route; actual necessary lodging not to exceed one day each way en route if the destination is more than 500 highway miles from headquarters, or as would otherwise be reasonable under the circumstances.
- C. The actual cost of portage, not to exceed \$1.00 per day. (Ord. 2006-0003 § 2, 2006; Ord. 2000-0034 § 1, 2000; Ord. 99-0026 § 3, 1999; Ord. 94-0011U § 1, 1994; Ord. 91-0044 § 4, 1991; Ord. 87-0007 § 2, 1987; Ord. 84-0240 § 2, 1984; Ord. 82-0251 § 1, 1982; Ord. 12108 § 1 (part), 1980; Ord. 12084 § 1, 1980; Ord. 12020 § 1, 1979; Ord. 11327 § 1, 1976; Ord. 11139 § 1, 1975; Ord. 10936 § 1, 1974; Ord. 9729 §§ 1 and 2, 1969; Ord. 9005 §§ 1 and 2, 1966; Ord. 7562 § 1, 1959; Ord. 5867 § 1, 1956; Ord. 5236 § 2 (part), 1948; Ord. 4099 Art. 3 § 48.3, 1942.)
- II. Paragraph 5.40.095 Maximum travel, meal, lodging and incidental expense reimbursement rates

The auditor-controller shall adjust maximum travel, meal, lodging and incidental expense reimbursement rates based upon annual changes in the National Consumer Price Index (CPI) published by the Bureau of Labor Statistics of the United States Department of Labor. Such adjustments shall be made effective February 1, 1983, based upon the published percentage change in the CPI between December, 1981 and December, 1982. Subsequent adjustments shall be made effective on February 1st of each year thereafter, based upon the published percentage change in the CPI during the preceding calendar year, provided that such percentage change exceeds three percent. If the published percentage change in a calendar year is less than three percent, that percentage change shall be cumulated with the published percentage change in the following calendar year(s) until such time as the cumulative percentage change exceeds three percent, at which time adjustments shall be made to reflect the total cumulative percentage change. Such adjustments in maximum travel reimbursement rates shall be rounded to the nearest quarter dollar. (Ord. 82-0251 § 3, 1982.)

EXHIBIT C – COUNTY’S TRAVEL EXPENSE REIMBURSEMENT POLICY

SCHEDULE 1

CONSULTING FEES

CATALYST SYSTEMS, LLC

SOLE SOURCE CONSULTANT SERVICES AGREEMENT
(EVALISYS® PATIENT CLASSIFICATION SYSTEM SUPPORT PROGRAM)

1. CONSULTING FEES

| CONTRACT YEAR * | Y1 | Y2 | Y3 | Y4 | Y5 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| ANNUAL CONSULTING FEE | \$125,290 | \$125,290 | \$125,290 | \$125,290 | \$125,290 |

| | |
|--------------------|----------|
| CONTRACT EXTENSION | 6 MONTHS |
| CONSULTING FEE | \$67,645 |

| CONTRACT YEAR ** | Y6 | Y7 | Y8 | Y9 | Y10 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| ANNUAL CONSULTING FEE | \$125,290 | \$125,290 | \$125,290 | \$125,290 | \$125,290 |
| TRAVEL EXPENSES (not to exceed) | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |

* - As used in this chart, "year" means each twelve calendar month period commencing on the effective date of this Agreement.

** - As used in this chart, "year" means each twelve calendar month period commencing on December 13, 2011.